

**COMPANIES ACT 1973 ARTICLES OF ASSOCIATION OF A COMPANY  
NOT HAVING A SHARE CAPITAL SECTION 60 (1): REGULATION 18  
REGISTERED NUMBER OF THE COMPANY**

**ST FRANCIS BAY RIPARIAN HOME OWNERS ASSOCIATION  
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

- A. The Articles of Table A or Table B contained in Schedule 1 to the companies Act, 1973, shall not apply to the COMPANY;
- B. The Articles of the Company are as follows:

1. INTERPRETATION

The headings contained in the articles are intended for reference purposes only and shall not be taken into account in the interpretation thereof. In the interpretation of the articles the words containing the first column of the table set out below shall bear the meanings set out opposite each of them in the second column thereof, unless the contents or context otherwise requires:

"the Act"	The Companies Act, 1973, including any amendment, consolidation or re-enactment thereof
"the Articles"	These articles of Association as now framed or as from time to time amended by special resolution;
"The Association" or The Company"	ST FRANCIS BAY RIPARIAN HOME OWNERS ASSOCIATION (Association Incorporation under Section 21)
"The Chairman or the Deputy Chairman"	The Chairman or the Deputy Chairman of the board of directors;
"The Waterways"	means the waterways in St Francis Bay along which riparian owners abut, including the yacht harbour and western access to the canals;
"The directors"	the directors for the time being of the Association and the alternate directors thereof or, as the case may be, the directors assembled at a meeting of directors at which a quorum is present or, where the context permits, the duly authorised representatives of the directors;
"Gazette"	means the Government Gazette of the Republic of South Africa;
"General Meeting"	an annual general meeting or a general meeting of the Association;

“in writing”	written or reproduced by any substitute for writing or partly written and partly so reproduced and including printing, typewriting or lithography or any other mechanical process, or partly one and partly another;
“Jetty”	to include beach and walling on estuary
“The Manager”	The manager appointed in terms of Article 12 from time to time;
“Member”	a member of the Association;
“The Office”	the registered office of the Association;
“The rules”	the rules made by directors in terms of Article 8 as they may apply from time to time, and currently embodied in ANNEXURE “A”
“South Africa”	the Republic of South Africa or the territory comprised therein from time to time;
“The register”	The register of members of the Association;
“The Secretary”	the secretary of the Association for the time being;
“Sign”	includes the reproduction of a signature by printing, typewriting or lithography, or any kind of stamp or any other mechanical process, and “signature” has a corresponding meaning;
“Property”	shall mean a fixed property riparian to the waterways.

Unless the context otherwise requires:

- 1.1 Words importing the singular number shall include the plural number and vice versa.
  - 1.2 Words importing the masculine gender shall include the feminine gender;
  - 1.3 Words importing natural persons shall include firms and corporate bodies;
  - 1.4 The word “meeting” shall include an adjourned meeting;
  - 1.5 Reference to any provision of the Act shall include such provision as it may be modified or re-enacted from time to time.
2. Subject to the preceding article, any words or expressions defined in the Act the Sectional Titles Act, 1991 or the Deeds Registries Act, 1937 shall, unless the contexts otherwise requires, bear the same meaning in the articles.

### 3. MEMBERSHIP:-

3.1 The following persons shall be members of the Association:-

3.1.1 any person who is the registered owner of property riparian to the waterways system.

3.2 No person other than a person referred to in 3.1 shall be entitled to be a member of the Association.

3.3 Where two or more persons are registered as the owners of a portion of land all the registered owners of that land shall be deemed to be one member of the Association.

3.4 When a member ceased to be the registered owner of a portion of the property he shall ipso facto cease to be a member of the Association.

4. A member shall not sell or otherwise agree to alienate any portion of the property, unless it is a condition of such agreement that:-

4.1 the person to whom the portion of the property is to be alienated ("the transferee") has bound himself, to the satisfaction of the Association, as a contract for the benefit of the Association, to become a member of the Association upon the transfer of a portion of the property to him;

4.2 the registration of transfer of the portion of the property to the transferee shall ipso facto constitute the transferee as a member of the Association.

5. A member may not resign as a member of the Association.

6. The Association shall keep a register of members at the place and in the manner specified in the Act.

### 7. LEVIES:-

7.1 The Directors shall from time to time, make levies upon the members for the purpose of meeting all the expenses which the Association has incurred, or which the directors reasonably anticipate the Association will incur, in the furtherance of its objects.

7.2 Members shall be liable in respect of any levy made in terms of 7.1 from time to time in equal shares, provided that any member who is the registered owner of more than one piece of land shall be liable to make payment of such share in respect of each piece of land owned by him.

7.3 The Directors shall, prior to the end of financial year, prepare an itemised estimate of the anticipated income and expenditure (which may include a reasonable provision for contingencies) of the Association during the ensuing financial year, estimate the amount required to be levied upon the members during such ensuing financial year and make a levy upon the members in such estimated amount.

- 7.3.1 The Directors shall, as soon as possible after the imposition of the levy in terms of 7.3 determine the amount payable by each member in terms of 7.2, and shall forthwith advise each member in writing of the amount payable.
- 7.3.2 Such amount shall be payable in equal monthly instalments due in advance on the first day of each month of the financial year.
- 7.3.3 The Directors will, pursuant to 7.3.1, give the members at least one calendar month's notice of any increase in the levies.
- 7.4 The Directors may from time to time make special levies upon the members who are liable in terms of 7.2 or call upon them to make special contributions in respect of all such expenses as are mentioned in 7.1 above (which are not included in any estimates made in terms of 7.3 above) and such levies and contributions may be made payable in one sum or by such instalments and at such time or times as the directors shall think fit.
- 7.5 Interest shall be payable on arrears levies at such rate as may from time to time be determined by the directors.
  - 7.5.1 Any amount due by a member by way of a levy or interest thereon shall be a debt due by it to the Association.
  - 7.5.2 The obligation of a member to pay levies shall cease upon its ceasing to be a member, without prejudice to the Association's right to recover arrears levies and interest thereon
  - 7.5.3 No levies or interest paid by a member shall under any circumstances be repayable by the Association upon his ceasing to be a member.
  - 7.5.4 A member's successor in title to a property shall be liable as from the date upon which it becomes a member pursuant to the transfer of the portion, to pay the levy and interest thereon attributable to that portion.
- 7.6 A member shall be liable for and pay all legal costs, including costs as between attorney and client and collection commission, expenses and charges incurred by the Association in obtaining the recovery of arrears levies or any other arrears amounts due and owing by such member to the Association.
- 7.7 No member shall be entitled to any of the privileges of membership unless and until it shall have paid every levy and interest thereon, and any other sum, if any, which may be due and payable by that member to the Association, from whatsoever cause arising.
- 7.8 The directors shall without hesitation execute the powers vested in them in terms of 43.3.5 below with specific reference to instituting action for the recovery of any arrears levies and interest thereon.

## 8. RULES:-

- 8.1 Subject to any restriction imposed or direction given at a general meeting of the Association and subject to the approval of the Kouga Municipality, the directors may from time to time make rules in regard to the use by members, the members of their households, their guests, and lessees, or their clients.
- 8.1.1 These restrictions or directions will include the operation of craft on the waterways, the use and maintenance of jetties
- 8.1.2 the preservation of the environment including the right to control the design, erection, placement, materials and construction of jetties within the waterways, whether upon or within the boundaries of any erf
- 8.1.3 the conduct of any persons making use of the waterways system and for the prevention of nuisance of any nature
- 8.1.4 the determination and control of all security measures on the Waterways
- 8.1.5 the determination and control of access to and egress to the Waterways system.
- 8.1.6 for the furtherance and promotion of any of the objects of the Association and/or for the better management of the affairs of the Association and/or for the advancement of the interests of Members
- 8.2 For the enforcement of any of the rules made by the directors in terms hereof, the directors may:-
- 8.2.1 take or cause to be taken such steps as they may consider necessary to remedy the breach of the rule of which the member may be guilty, and debit the costs of so doing to the member concerned, which amount shall then be deemed to be a debt owing by the member concerned to the Association;
- 8.2.2 take such other action, including court proceedings, as they may deem fit.
- 8.3 In the event of any breach of the rules by the members or any other person mentioned in 8.1 above, such breach shall be deemed to have been committed by the member himself, but without prejudice to the foregoing, the directors may take or cause to be taken such steps against the person actually committing the breach as they in their discretion may deem fit.
- 8.3.1 In the event of any member disputing the fact that it has committed a breach of any of the rules aforesaid, a committee of three directors appointed by the Chairman for the purpose, shall adjudicate upon the issue at such times and in such manner and according to such procedure as the Chairman may direct.

- 8.3.2 Notwithstanding the foregoing, the directors may in the name of the Association enforce the provisions of any rules by proceeding in a court of competent jurisdiction and for this purpose may appoint such attorneys and counsel as they may deem fit.
- 8.3.3 Any fine imposed upon any Member shall be deemed to be a debt due by the Member to the Association and shall be recoverable by ordinary civil process.
- 8.4 It shall be the duty of the Manager, or such other person or body as may be empowered by the directors, to ensure compliance by the members with the rules, and to this end to issue such notices or do such things as may be necessary or requisite.
- 8.5 Each member undertakes to the Association that it shall comply with any rules made in terms of 8.1
- 8.6 The provisions of this Clause 8 are subject, insofar as may be necessary, to the consent of the Kouga Municipality
- 8.7 The Association may in a general meeting itself make any rules which the Directors may adopt and may in a general meeting vary or modify any rules made by it or by the Directors, from time to time. The rules shall not be altered or amended in any way save with the written consent of the Kouga Municipality.

9. MAINTENANCE:-

- 9.1 The directors shall have the power, without prejudice to any other rights of the Association:-
- 9.1.1 to maintain the jetties owned by the Kouga Municipality and all aspects of dredging maintenance within their discretion.
- 9.1.2 from time to time to determine the routine maintenance requirements of the waterways system and to instruct the Manager to attend to such maintenance requirements on behalf and at the costs of the Association.

10. WORKS WITH REGARD TO JETTIES AND USE OF WATERWAYS

- 10.1 Without limiting the generality of the foregoing the Directors shall further have power:
- 10.1.1 to require that any works being constructed with regard to jetties be approved and supervised by the Association to ensure that the provisions of these presents and the rules are complied with and that all work is performed in a proper and workmanlike manner;
- 10.1.2 to make rules as provided for in 8.

## 11. MAINTENANCE OF PRIVATE JETTIES

Each member shall be responsible for the maintenance of his own privately owned jetty, beach and canal wall.

## 12. MANAGER:-

12.1 The Directors may from time to time, and shall if required by the members of the Association in general meeting, appoint in terms of a written contract a Manager to control, manage and administer the Association and to exercise such powers and duties as may be entrusted to the Manager, including the power to collect contributions levied.

12.2 The Directors shall ensure that there is included in the contract of appointment of the Manager a provision to the effect that if he is in breach of any of the provisions of his contract, or if he is guilty of conduct which at common law would justify the termination of a contract between master and servant, the Directors may, without notice, cancel such contract of appointment and the Manager shall have no claim whatsoever against the Association or any of the members as a result of such cancellation.

12.3 The contract with the Manager shall further provide for the appointment to be revoked and the Manager shall cease to hold office if:-

12.3.1 where the Manager is a company, an order is made for its provisional or final liquidation; or where the Manager is a natural person, he surrenders his estate as insolvent or his estate is sequestrated; or

12.3.2 The Manager is convicted of an offence involving fraud or dishonesty; or, where the Manager is a company, any of its Directors is convicted of an offence involving fraud or dishonesty; or

12.3.3 a special resolution of the members of the Association is passed to that effect; provided that in such event the Manager so removed from office shall not be deprived of any right he may have to claim compensation or damages for breach of contract.

12.4 The Manager shall keep full records of his administration and shall report to the Association on all matters which in his opinion detrimentally affect the value or amenity of the land of Riparian owners.

12.5 The Directors shall give reasonable prior notice to the Manager of all meetings of the Directors and the Manager shall be entitled to be present thereat when invited by the Directors.

12.6 The Directors shall from time to time furnish to the Manager copies of the minutes of all meetings of the Directors and of the Association;

12.7 Should a Manager not be appointed in terms of this Article, then all references in the articles to the Manager shall be deemed to be a reference to the Directors.

**13. RESTRICTION OF TRANSFER LAND:-**

13.1 No member shall transfer a property:-

13.1.1 unless the Association, under the hand of the Manager and a Directors or of two Directors, has certified in writing that the member has fulfilled all his financial obligations to the Association in respect of the period up to and including the date specified in such notice; and

13.1.2 The transfer takes place prior to or on that date.

13.2 No member shall transfer a property unless the proposed transferee has agreed to become a member of the Association.

13.3 The Association may claim from any member or its Estate any arrears of levy or interest or other amount due to the Association at the time of its ceasing to be a member.

**GENERAL MEETINGS:-**

**14.** The Association shall from time to time hold annual general meetings as provided in the Act.

**15.** Save as may be provided in the Act, members may not convene a general meeting of Association, except where all the Directors have become incapacitated or have ceased to be Directors, in which event 2 (two) or more members may convene a general meeting on due notice to all members entitled thereto, and may recover the costs of so doing from the company.

**16. THE DIRECTORS:-**

16.1 may, whenever they deem fit, convene a general meeting of the Association;

16.2 shall convene a general meeting if requisitioned in terms of the Act.

**17. SUBJECT TO THE PROVISION OF THE ACT**

17.1 all general meetings whether annual or otherwise;

17.2 all adjourned general meetings;

shall be held at such time and place as the Directors shall appoint.

**18. NOTICE OF GENERAL MEETINGS:-**

18.1 Not less than 21 (twenty-one) clear days' notice shall be given of all annual general meetings or meetings called for the passing of a special resolution and not less than 14 (fourteen) clear days' notice shall be given of any other general meeting:-

18.1.1 in the manner hereinafter determined;

18.1.2 to such persons as are, in accordance with the provisions of the articles, entitled to receive notice of all meetings from the company;

18.2 The period of the notice shall be exclusive of the day:-

18.2.1 on which it is served or deemed to be served; and

18.2.2 on which the meeting is to be held;

18.3 The notice shall specify the place, day and time of the meeting and the nature of the business to be transacted thereat.

18.4 Whenever notice of a meeting is given pursuant to this article, the Association shall forward a copy thereof to the auditors of the Association and to the Manager.

18.5 The accidental omission to give notice of a meeting or, where applicable, to send an instrument of proxy therewith, or the failure to receive a notice of proxy by any person entitled thereto, or the late receipt thereof, shall not invalidate the proceedings at that meeting

18.6 If more than 20 members by way of affidavit confirm that they have not received notice at their address in the Village as contemplated in Article 18.1, then another general meeting will be called for.

**19. PROCEEDINGS AT GENERAL MEETINGS:-**

19.1 The annual general meetings shall deal with and dispose of all matters prescribed by the Act, including the consideration of the annual financial statements, the election of Directors and the appointment and remuneration of an auditor.

19.2 The annual general meeting shall also consider the levy imposed by the Directors and may deal with any other business laid before it.

**20. THE QUORUM FOR A GENERAL MEETING:-**

20.1 The quorum shall be 10 % of the members present or by proxy.

20.2 No business shall be transacted at any general meeting unless a quorum is present.

20.3 A corporate body, being a member of the Association, and which is represented by a duly appointed representative, shall be deemed to be a member personally present for the purpose of this article.

21. IF:-

21.1 21.1.1 within 10 (ten) minutes from the time appointed for the meeting;  
or

21.1.2 at any time during the course of the meeting, a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved.

21.1 In any other case it shall stand adjourned to a date not earlier than 7 (seven) days and not later than 21 (twenty one) days after the date of the meeting as the chairman of the meeting shall appoint.

21.2 If at such adjourned meeting a quorum is not present within 10 (ten) minutes from the time appointed for holding the meeting, two members who are present in person or by proxy and are entitled to vote shall be a quorum and may transact the business for which the meeting was called.

22. The Chairperson, or in his absence, the deputy chairperson (if any) shall preside as chairman at every general meeting of the Association.

If:-

22.1 there be no such chairperson or deputy chairperson, or

22.2 at any meeting neither the chairperson nor the deputy chairperson is present within 10 (ten) minutes after the time appointed for the meeting, or if neither of them be willing to act as chairperson,

the Directors present shall choose one of their number to act as such, but if 1 (one) Directors only be present, he shall preside as chairperson if he is willing so to act.

In the absence of a chairperson in terms of 22.1 or 22.2, the members present shall elect one of their number to act as such.

23. The chairperson may with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business may be transacted at any adjourned meeting, except such business as may lawfully have been transacted at the meeting which was adjourned.

24. Where a meeting has been adjourned in terms of Articles 21 or 23 the Association shall, upon a date not later than 3 (three) days after the adjournment, publish in a newspaper circulating in the province where the office is situate, a notice stating:-

24.1 the date, time and place to which the meeting has been adjourned;

- 24.2 the matter before the meeting when it was adjourned; and
- 24.3 the ground for the adjournment.
25. At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded before or immediately after the declaration of the result of the show of hands:-
- 25.1 by the chairperson of the meeting; or
- 25.1.1 by not less than 4 (four) members having the right to vote at the meeting; or
- 25.1.2 by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.
- 25.2 Unless a poll be demanded and the demand be not withdrawn a declaration by the chairperson of the meeting that:-
- 25.2.1 a resolution has been passed unanimously on a show of hands or by a particular majority; or
- 25.2.2 a resolution has not been passed by a particular majority, or rejected (and an entry to that effect in the minute book) shall be conclusive evidence of that fact.
26. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was held.
27. In the case of any equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting shall have a second or casting vote.
28. 28.1 No poll may be demanded on the election of the chairperson of the meeting or any request of adjournment.
- 28.2 A poll demanded in respect of any other matter shall be taken at such time and place and in such manner as the chairman of the meeting directs (but not later than 30 (thirty) days after the poll as been demanded).
- 28.3 Until such time as the poll is held, the meeting may proceed with any business, other than that upon which a poll has been demanded.
29. The chairperson of a meeting may:-
- 29.1 appoint any firm or persons to act as scrutineers for the purpose of checking the powers of attorney received and for counting the votes at the meeting;
- 29.2 act on a certificate given by any such scrutineers without requiring production at the meeting of the forms of proxy or himself counting the votes.

30. 30.1 If any votes were counted which ought not to have been counted or if any votes were not counted which ought to have been counted, the error shall not vitiate the resolution unless:-
- 30.1.1 it be brought to the attention of the chairperson at the meeting;  
and
- 30.1.2 in the opinion of the chairperson of the meeting. It be of sufficient magnitude to vitiate the resolution.
- 30.2 Any objection to the admissibility of any vote (whether on a show of hands or on a poll) shall be raised:-
- 30.2.1 at the meeting or adjourned meeting at which the vote objected to was recorded; or
- 30.2.2 at the meeting or adjourned meeting at which the result of the poll was announced,
31. EVEN IF HE IS NOT A MEMBER:-
- 31.1 any Directors; or
- 31.2 the Company's attorney (or where the Company's attorneys are a firm, any partner thereof),
- may attend and speak at any general meeting, but may not vote unless he is a member or the proxy or representative of a member.
32. VOTES OF MEMBERS:-
- At every general meeting, every member present in person or by proxy or, if the member is a body corporate, represented, shall have 1 (one) vote in respect of each piece of land of which it is the registered owner.
33. 33.1 Any corporate body which is a member may, by resolution of its Directors or other governing body, appoint a person to act as its representative at any general meeting of the Association.
- 33.2 Such representative shall be entitled to exercise the same rights on behalf of the corporate body which he represents as that corporate body could exercise if it were an individual who was a member of the Association.
- 33.3 The Directors may, but shall not be obliged to require proof to their satisfaction of the appointment or authority of such representative.
34. The parent or guardian of a minor, the curator bonis of a lunatic member and the executor of a deceased member, may vote at any general meeting in the same manner as if he were a member of the Association, provided that at least 48 (forty eight) hours before the time of holding the meeting at which he proposes to vote, he shall satisfy the Directors that he is such parent, guardian,

curator or executor, or that the Directors have previously admitted his right to vote in respect of those shares.

35. PROXIES:-

- 35.1 The appointment of a proxy shall be in writing under the hand of the person making such appointment or his agent, duly authorised in writing;
- 35.2 If the appointer be a corporate body the power of attorney shall be signed in the manner which and by the person who binds that corporate body;
- 35.3 The agent under a Power of Attorney of a member is entitled, if so authorised by the power of attorney, to vote on behalf of and represent such member at a meeting of the Association;
- 35.4 A proxy need not be a member of the Association;
- 35.5 A member may appoint 1 (one) proxy to act on his behalf on the same occasion.
- 35.6 The Directors may, if they think fit, send out with the notice of any meeting, forms of proxy for use of a meeting.
- 35.7 Every instrument of proxy, whether for a specified meeting or otherwise, shall be in the form or to the effect of the following, or in such other form as the Directors may approve, in either case under the heading of or referring to the Association's name.
36. 36.1 Any power of attorney and any instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney shall be deposited at the office or at such other place in South Africa as is specified for that purpose in the notice convening the meeting, not less than 48 (forty-eight) hours (excluding Saturdays, Sundays and public holidays) before the time appointed for holding:-
- 36.1.1 The meeting or adjourned meeting at which the person named in such instrument proposes to vote;
- 36.1.2 a poll where a poll is to be held after a meeting or adjourned meeting;
- 36.2 If the power of attorney or other instrument or proxy is not deposited timeously, it shall not be treated as valid.
- 36.3 Unless specifically otherwise stated in the proxy no instrument appointing a proxy shall be valid after the expiration of 6 (six) months from the date thereof except at a poll demanded at a meeting originally held within the 6 (six) months after the date of such instrument, or at an adjourned meeting of a meeting held within such period.

**37.** A vote by virtue of a power of attorney or an instrument of proxy shall be valid notwithstanding the previous legal incapacity of the principal or revocation of the power of attorney or instrument of proxy, unless an intimation in writing of such legal incapacity is received by the Association at the office not less than 24 (twenty-four) hours before commencement of a meeting or the taking of the poll at which the instrument of proxy is used.

**38.** DIRECTORS:-

The Association shall have not less than 3 (three) and not more than 6 (six) Directors.

**39.** REMUNERATION:-

39.1 The Directors shall be entitled to such remuneration as the Association in general meeting may from time to time determine, which remuneration shall be divided among the Directors in such proportions as they may agree, or in default of such agreement equally, except that in such event any Directors holding office for less than a year shall only rank in such decision in proportion to the period during which he has actually held office.

39.2 Such remuneration shall accrue to the Directors from day to day.

39.3 Any Directors who:-

39.3.1 serves on any executive or other committee; or

39.3.2 devotes special attention to the business of the Association; or

39.3.3 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Directors, may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Directors, as a disinterested quorum of the directors may from time to time determine.

39.4 The directors shall also be paid all their travelling and other expenses necessarily expended by them in connection with:-

39.4.1 the business of the Association; and

39.4.2 attending meetings of the directors or of committees of the directors of the Association.

**40.** TERMINATION OF OFFICE:-

Without prejudice to any contrary provisions in the articles, the office of a director shall be vacated in any of the following events:-

40.1 If his Estate is sequestrated or he assigns his Estate or enters into a general compromise with his creditors;

- 40.2 if he is found to be or becomes of unsound mind;
- 40.3 if a majority of his co-directors sign and deposit at the office a written notice wherein he is requested to vacate his office (which shall become operative on deposit of at the office);
- 40.4 if he be removed by a resolution of the Association of which proper notice has been given in terms of the Act;
- 40.5 if he shall, pursuant to the provisions of the Act or any order made thereunder, be prohibited from acting as a Director;
- 40.6 if he resigns his office by notice in writing to the Association;
- 40.7 if:-
- 40.7.1 he is absent from meetings of the directors for 6 (six) months without leave of the directors otherwise than on the business of the Association; and
- 40.7.2 the directors resolve that his office be, by reason of such absence, vacated,
- provide that the directors shall have power to grant to any director leave of absence for a definite or indefinite period.

#### **41. GENERAL:-**

- 41.1 A director may hold any other office of place of profit under the Association (except that of auditor) or any subsidiary of the Association in conjunction with his office of director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a director) and otherwise as a disinterested quorum of the directors may determine.
- 41.2 A director of the Association may be or become a director or other office of, or otherwise interested in, any company promoted by the Association or in which the Association may be interested as shareholder or otherwise and (except insofar as otherwise decided by the directors) he shall not be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company.
- 41.3 Any director may act by himself or through his firm in a professional capacity for the Association (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.
- 41.4 A director who is in any way, whether directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Association (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

- 41.5 41.5.1 No director or intending director shall be disqualified by his office from contracting with the association with regard to
- 41.5.1.1 his tenure of any other office or place or profit under the Association or in any company promoted by the Association or in which the Association is interested;
  - 41.5.1.2 professional services rendered or to be rendered by such director;
  - 41.5.1.3 any sale or other transaction.
- 41.5.2 No such contract or arrangement entered into by or on behalf of the Association in which any director is in any way interested is voidable.
- 41.5.3 No director so contracting or being so interested shall be liable to account to the Association for any profit realised by any such appointment, contract or arrangement by reason of such director holding office or of the fiduciary relationship thereby established.
- 41.6 A director may not vote or be counted in the quorum and if he shall do so his vote shall not be counted on any resolution for his own appointment to any other office or place of profit under the Association or in respect of any contract or arrangement in which he is interested, but his prohibition shall not apply to:-
- 41.6.1 any arrangement for giving to any director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefits of the Association; or
  - 41.6.2 any arrangement for the giving by the Association of any security to a third party in respect of a debt or obligation of the Association which the director has himself guaranteed or secured; or
  - 41.6.3 any contract or arrangement with a corporation in which he is interested by reason only of being a director, officer, creditor or member of such corporation,
- and these prohibitions may at any time be suspended or relaxed either generally, or in respect of any particular contract or arrangement by the Association in general meeting.
- 41.7 A contract which violates the terms of Article 41.6 can be ratified by the Association in general meeting.
- 41.8 The terms of Article 41.6 shall not prevent a director from voting as a member at a general meeting at which a resolution in which he has a personal interest is tabled.

41.9 The directors may exercise the voting powers conferred by the shares held or owned by the Association in any other company in such manner in all respects as they think fit, including the exercise thereof in favour of an resolution appointing themselves or any of them to be directors or officers of such other company or for determining any payment of or remuneration to the directors or officers of such other company.

41.10 A director may vote in favour of a resolution referred to in 41.9 for the exercise of the voting rights in the manner described in 41.9 notwithstanding that he may be, or is about to become, a director or other officer of such other company and for that or any other reason may be interested in the exercise of such voting right in the matter aforesaid.

## **42. RETIREMENT OF DIRECTORS IN ROTATION:-**

42.1 42.1.1 At every annual general meeting, all of the directors for the time shall retire from office.

42.2.1 A director retiring at a meeting shall retain office until the election of directors at that meeting has been completed

42.3 Retiring directors shall be eligible for re-election.

42.4 No person, other than a director retiring at the meeting shall unless recommended by the directors, be eligible for election to the office for a director at any general meeting, unless:-

42.4.1 not more than 14 (fourteen), but at least 7 (seven) clear days before the day appointed for a meeting, there shall have been delivered at the office a notice in writing by a member (who may also be the proposed director) duly qualified to be present and vote at the meeting for which such notice is given;

42.4.2 not more than 14 (fourteen), but at least 7 (seven) clear days before the day appointed for the meeting, there shall have been delivered at the office a notice in writing by a member (who may also be the proposed director) duly qualified to be present and vote at the meeting for which such notice is given;

42.4.3 notice in writing by the proposed person of his willingness to be elected is attached thereto (except where the proposer is the same person as the proposed).

42.5 Subject to the preceding article, the Association may at the meeting at which a director retires, fill the vacated office by electing a person and in default, the retiring director, if he is willing to continue to act, shall be deemed to have been re-elected, unless:-

42.5.1 it is expressly resolved at such meeting not to fill such vacated office; or

42.5.2 resolution for the re-election of such director shall have been put to the meeting and rejected.

42.6 The Association in general meeting or the directors may appoint any person as director to fill the casual vacancy.

#### **43. POWERS OF DIRECTORS:-**

43.1 The management and control of the business of the association shall be vested in the directors who, in addition to the powers and authorities expressly conferred upon them by the articles, may exercise all powers and authorities and perform all acts which may be exercised or done by the association, and are not hereby or by the act expressly reserved to the association in general meeting.

43.2 Such management and control may not be inconsistent with the articles nor with the provisions of the Act.

43.3 Without prejudice to the general power conferred by Article above and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these presents it is hereby expressly declared that the directors shall have the following powers, that is to say, power:-

43.3.1 to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the company;

43.3.2 to purchase otherwise acquire for the company and property, rights or privileges which the company is authorised to acquire, at such price and generally on such terms and conditions as they think fit;

43.3.3 to secure the fulfilment of any contracts or engagements entered into by the company, by mortgage or charge of all or any of the property of the company for the time being, or in such manner as they may think fit;

43.3.4 to appoint, and at their discretion remove or suspend, a managing director, such managers, secretaries, officers, clerks, agents and servants for permanent, temporary, or special services, as they may from time to time think fit, and to determine their powers and duties and to fix their salaries and employments and to require security in such instances and to such amounts as they think fit;

43.3.5 to institute, conduct, defend, compound, or abandon any legal proceedings by or against the company, or its officers, or otherwise concerning the affairs of the company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the company;

- 43.3.6 to make and give receipts, releases and other discharges for money payable to the company, and for the claims and demands of the company;
- 43.3.7 to determine who shall be entitled to sign on the company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents;
- 43.3.8 from time to time provide for the management of the affairs of the company abroad in such manner as they think fit, and in particular to appoint any persons to be attorneys or agents of the company with such powers including power to sub-delegate) and upon such terms as may be thought fit;
- 43.3.9 to invest and deal with any of the moneys of the company not immediately required for the purposes thereof, upon such securities (not being shares in the company) and in such manner as they may think fit, and from time to time to vary or realise such investments;
- 43.3.10 to execute in the name and on behalf of the company, in favour of any director or other person who may incur or be about to incur any personal liability for the benefit of the company, such mortgages of the company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon;
- 43.3.11 to set aside, out of the income of the company, such sums as they think proper as a reserve fund to meet contingencies, or for preparing, improving and maintaining any of the property of the company, and for such other purposes as the directors shall in their absolute discretion think conducive to the interests of the company; and to invest the several sums so set aside upon such investments as they may think fit, and from time to time to deal with and vary such investments, and dispose of all or any part thereof for the benefit of the company, and to divide the reserve fund into such special funds as they think fit with full power to employ the assets constituting the reserve fund in the business of the company and that without being bound to keep the same separate from the other assets;
- 43.3.12 to enter into all negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid, or otherwise for the purposes of the company;
- 43.3.13 to appoint a Manager who, under the direction of the directors, shall supervise and perform the work of the company;

43.3.14 to levy subscriptions on members upon such scale as they may determine from time to time, if they deem it advisable and determine the due date of payment of such subscription;

43.3.15 to suspend the voting rights of any member or any member's representative or proxy for so long as any subscription, notice of which has been give to such member as contemplated in these Articles, remains due but unpaid;

43.3.16 to appoint as patrons of the company any person or persons willing to serve as such and whom the directors consider to be worthy of such office by virtue of such patron's experience, office or other attribute;

43.3.17 to manage, maintain and control the waterways system.

43.4 The directors shall not be entitled to undertake on behalf of the Association any works of a capital nature, without the sanction of a resolution of the Association in general meeting.

#### **44. BORROWING POWERS:-**

44.1 The directors may exercise all the powers of the company to borrow money and to mortgage or bind its undertaking and property or any part thereof, and to issue debenture stock and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party.

44.2 The directors may from time to time entrust to or confer upon a managing director or manager, for the time being, such of the powers and authorities vested in them as they may think fit, and may confer such powers and authorities for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient, and they may confer such powers and authorities either collaterally or to the exclusion of, or in substitution for, all or any of the powers and authorities of the directors and may from time to time revoke or vary all or any such powers and authorities.

#### **45. POWERS OF DELEGATION:-**

45.1 The directors may by power of attorney appoint any company, firm or person or any fluctuating body or persons, whether nominated directly or indirectly by the directors, to be the attorney or agent of the association for such proposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the directors in terms of the articles) and for such period and subject to such terms and conditions as they may think fit.

45.2 Any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent as the Directors may think fit.

- 45.3 The directors may also authorise any such agent to sub-delegate any of his powers, authorities and discretion.
46. 46.1 The directors may delegate any of their powers to an executive or other committee, whether consisting of a member or members of their body or not as they think fit.
- 46.2 Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations authorising the appointment of subcommittees that may from time to time be prescribed by the directors.

**47. DUTIES OF DIRECTORS TO KEEP MINUTES:-**

- 47.1 The directors shall cause minutes to be made of:-
- 47.1.1 all appointments of officers made by the directors;
- 47.1.2 all names of the directors present at each meeting of the directors;
- 47.1.3 all resolutions and proceedings at each meeting of the Association;
- 47.1.4 all resolutions passed by the directors under Article 61 and of all meetings of directors.
- 47.2 Minutes of any resolutions and proceedings mentioned in 56.1 appearing in one of the minute books of the Association, shall be proof of the facts therein stated if signed by:-
- 47.2.1 any person purporting to be the chairman of the meeting to which it relates; or
- 47.2.2 any person present at the meeting an appointed by the directors to sign in the chairman's place; or
- 47.2.3 the chairman of a subsequent meeting of directors.
- 47.3 Any extracts from or copy of those minutes purporting to be signed by:-
- 47.3.1 the chairman of that meeting; or
- 47.3.2 any director; or
- 47.3.3 the secretary,
- shall be prima facie proof of the fact therein stated.

**48. PROCEEDINGS OF DIRECTORS AND COMMITEES:-**

- 48.1 The directors may meet for the despatch of business, adjourn, and otherwise regulate their meetings as thy think fit.

- 48.2 Three (3) Directors shall form a quorum and the company shall at all times have at least 3 (three) Directors.
- 48.3 The chairman may at any time, and the secretary, upon the request for a director shall at any time, convene a meeting of directors.
- 48.4 The directors shall determine the number of day's notice to be given for directors' meetings, and the form of that notice.
49. 49.1 The Directors may:-
- 49.1.1 elect a chairman and a deputy chairman (to act in the absence of the chairman) of their meetings;
- 49.1.2 determine the period for which they are to hold office, which shall not exceed 1 (one) year.
- 49.2 If no chairman or deputy chairman is elected, or if at any meeting the chairman or deputy chairman be not present within 10(ten) minutes after the time appointed for holding the meeting, the directors present shall choose one of their number to be chairman at such meeting.
50. 50.1 All questions arising at any meeting shall be decided by a majority of votes
- 50.2 In case of an equality of votes the chairman shall have a second or casting vote.
51. A meeting of the directors at which a quorum is present shall be entitled to exercise all or any of the powers, authorities and discretion conferred by or in terms of the articles which are vested in or are exercisable by the directors generally.
52. 52.1 A resolution in writing signed by:-
- 52.1.1 all the directors; or
- 52.1.2 all the directors who may at the time be present in the town where the office is situate and who form a quorum,
- shall be as valid and effectual as a resolution passed at a meeting of the directors duly called and constituted.
- 52.2 Such resolutions:-
- 52.2.1 may consist of one or more documents so signed;
- 52.2.2 shall have regard to the provisions of Section 236 of the Act;
- 52.2.3 shall be delivered to the secretary without delay, and shall be recorded by him in the Association's minute book,
- 52.3 Such resolution shall be deemed to have been passed on the day it was signed by the last director or alternate director who is entitled to sign it;

- 52.4 A resolution referred to in 52.1 which was not signed by all the directors shall be inoperative if it shall purport to authorise any act which a meeting of the directors has decided shall not be authorised, until confirmed by a meeting of directors.
53. The meeting and proceedings of any committee consisting of 2 (two) or more Directors shall be governed by the provisions hereof in regard to meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors.
54. All acts performed by the directors or by a committee or directors or by any person acting as a director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the directors or persons acting as aforesaid or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or member of such committee.
55. SECRETARY:-
- If the directors so decide, they shall appoint a secretary:-
- 55.1 for such term;
- 55.2 at such remuneration; and
- 55.3 upon such conditions
- as they may think fit, and the directors may dismiss such secretary.
56. AUTHENTICATION OF DOCUMENTS:-
- 56.1 Any director or the secretary or any person appointed by the directors for the purpose shall have power to authenticate:-
- 56.1.1 the memorandum and articles of association;
- 56.1.2 any resolution passed by the Association or the directors;
- 56.1.3 any books, records, documentation and accounts relating to the business of the Association;
- and to certify copies thereof or extracts therefrom as true copies or extracts.
- 56.2 Where any books, records, documents, or accounts are elsewhere than at the office of the local manager or other officer or the company or other person having custody thereof shall be deemed to be a person duly appointed by the directors for the above-mentioned purpose..

57. Subject to the provisions of the Act, a member shall not be entitled to demand that:-

57.1 any book, document or record be shown to him;

57.2 any information concerning the Association's affairs be disclosed to him

if the directors in their sole and absolute discretion (which may not be disputed) consider that it is not in the Association's interest to show that book, document or record to the member or to disclose that information to him.

58. ACCOUNTING RECORDS:-

The director shall cause to be kept such accounting records as are prescribed by the Act.

59. The accounting records shall be kept at the office or (subject to the provisions of the Act) at such other place as the directors think fit, and shall at all times be open to inspection by the directors.

60. 60.1 A copy of all financial statements (including every document required by Law to be annexed thereto) which are to be laid before the Association in an annual general meeting, together with copies of the 'directors' and 'auditors' reports, shall be delivered or sent by post to the registered address of each member and to every person entitled to a notice of the general meeting.

60.2 The documents referred to in 60.1 shall be sent at least 21 (twenty-one) days before such annual general meeting.

60.3 The documents referred to in 60.1 need not be sent to any person who is not entitled to receive notice of general meeting of the Association or whose address is not known to the Association.

61. AUDITORS:-

Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

62. NOTICES:-

62.1 Any notice or other document may be served by the Association upon any member by:-

62.1.1 delivering it to him personally; or

62.1.2 sending it by post in a prepaid letter, envelope, or wrapper, addressed to such member at his registered address.

- 62.2 Any member described in the register of members by an address not within South Africa, who shall from time to time furnish the Association with an address within South Africa at which notices can be served upon him, shall be entitled to have notices served upon him at such address.
- 62.3 Save as determined in the articles or in the Act, no member other than a registered member whose address appears in the register of member in South Africa shall be entitled to receive any notice from the Association.
63. Any notice or other document, if served by post, shall be deemed to have been served at the time when the same was posted, and in proving such service it shall be sufficient to prove that the notice or document was properly addressed, stamped and posted.
64. Save as otherwise expressly provided, where a given number of days' notice, or notice extending over any period, is required to be given, the day of service shall not be counted in the number of days or other period.
65. INDEMNITY:-
- 63.1 Every director, manager, secretary, auditors and officer of the Association shall be indemnified out of the funds of the Association against all liabilities incurred by him in that capacity unless his actions should be negligent or fraudulent;
- 63.2 Every person shall be indemnified by the Association against, and it shall be the duty of the directors out of the funds of the Association to pay all costs, losses and expenses for which any such person may become liable by reason of:-
- 63.2.1 any contract entered into; on instructions of the Board of Directors
- 63.2.2 any act done by him, on instructions of the Board of Directors
- in his capacity as director, secretary, manager, auditor or officer of the Association or in any way in the proper discharge of his duties.
66. Subject to the provisions of the Act, no director, manager, secretary, auditor, officer or servant of the Association shall be liable for:-
- 66.1 any act, receipt, neglect or fault of any other such officer or servant of the Association; or
- 66.2 joining in any receipt or other act; or
- 66.3 loss or expense suffered by the Association through the insufficiency or deficiency of title to any property acquired by order of the directors for and on behalf of the Association;
- unless the same occurs through his own dishonesty.

Thus done and signed at \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_ 2006

**AS WITNESSES:**

1. \_\_\_\_\_

2. \_\_\_\_\_

Thus done and signed at \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_ 2006

**AS WITNESSES:**

1. \_\_\_\_\_

2. \_\_\_\_\_

MSW/OOREENKOMSTE/ST FRANCIS BAY RIPARIAN